



Environment, Health and Safety (EHS)

Reporting criteria and performance indicators

Date: 26 February 2024

1. Purpose and scope

The purpose of the document is to provide a defined set of reporting criteria and performance indicators applicable to the Group-wide Environmental, Health and Safety (“EHS”) data.

2. Reporting period

The reporting period for calculating key performance indicators for environmental and health and safety is 1 October to 30 September. The calculation of the accident severity rate includes days lost up until 31 December for accidents occurring within the reporting period. Revenue and employee data used in the calculation of key performance indicators (KPI's) are calculated over this same period.

3. Reporting scope and boundaries

Our externally reported EHS performance data covers all businesses that are subsidiaries of the Group for financial reporting purposes. Information relating to acquisitions made during the year are included from the date at which they are acquired where this data is available. However, it is recognised that in certain cases, new acquisitions may not have appropriate reporting systems in place at the date of acquisition to be able to record all their EHS performance data from that point. In which case such data omissions are disclosed in the annual report and staff numbers/revenue for that acquisition are excluded when calculating the relevant indicators. The maximum time allowed for this is one month for accidents and 12 months for environmental data. Disposed businesses and closed sites are expected to report until the date of disposal or closure.

4. EHS data

4.1 Environmental – total CO₂e emitted (in tonnes) is calculated by using activity data and applying the relevant conversion factors. The UK Department for Business, Energy and Industrial Strategy (BEIS) guidelines on measurement and conversion factors are followed. Overseas electricity consumption conversion factors are sourced from International Energy Agency (IEA). Activities not covered by BEIS, for example district heating, will be based on locally quoted conversion factors. The calculation of total carbon emissions will be performed with reference to the Greenhouse gas (GHG) Protocol guidance for applying location based and market based factors. Reported emissions from electricity are based on both market based and location based factors.

4.2 Based on the GHG Protocol Scope 2 Guidance, the applicable market-based factors are obtained from various sources, including energy suppliers (eg in case of renewable energy purchases) and residual mix data sources such as Association of Issuing Bodies (AIB) in Europe and Green-e certification in the USA.



4.3 Activity data will preferably be based on accurate sources such as meter readings, measurements or invoices. If not available, data from businesses/sites of similar size/activity and preferably located in the same region is used as reference to estimate missing data. When data in a certain period is not available, averaged data from previous periods, or same periods in the previous year is used for estimation.

4.4 Scope 1 - direct emissions from owned or controlled sources:

- Fuel for transport - covers both fuel for commercial vehicles and for company cars driven on company business. Fuel for distance driven on company business with private cars is excluded this is classified as a scope 3 emission. It also includes propane for materials handling equipment.

The quantities of fuel purchased with fuel cards will normally be captured from third party billing and recorded on the Group EHS reporting system (Bunzl risk Management system: BRMS) in litres or US gallons. It is recognised that where fuel cards are used for company provided cars this may lead to an overstatement of fuel consumed as it will include an element of private mileage. However, it is considered that the effort required to quantify and deduct such private mileage is excessive when balanced against any improvement in accuracy achieved.

Fuel purchased for company vehicles without a fuel card is primarily used in cars and is captured by expense systems and recorded in BRMS as distance travelled. BRMS converts distance to estimated litres used for Group reporting purposes, based on BEIS conversion factors.

- Energy

Natural gas – the calculation of CO₂e is based on the total units of gas consumed, measured in cubic metres, multiplied by the relevant (BEIS) conversion factor.

Heating Oil – the calculation of CO₂e is based on the total litres of heating oil consumed multiplied by the relevant (BEIS) conversion factor.

- Emissions from the operation of air conditioning equipment – very few of the products supplied by the Company are temperature sensitive and air conditioning is restricted to offices, computer rooms and small areas for specialised products. Consequently, fugitive emissions from air conditioning do not form part of the Group's CO₂e reporting. However, any failure of air conditioning equipment, leading to an uncontrolled release of refrigerants, is reported as an Environmental Incident within BRMS.

4.5 Scope 2 – indirect emissions from the generation of purchased energy.

- On-site Electricity – the calculation of CO₂e is based on the total units of electricity consumed in kWh and multiplied by
 - Location-based emissions factors: the BEIS conversion factor (for UK) or IEA conversion factor (for all other countries)
 - Market-based emissions factors: based on the guidance in the GHG reporting standard, which can be supplier specific emission rates, renewable energy attribute certificates (RECs, GOs, etc.), or default emission factors representing the untracked or unclaimed energy and emissions (termed the residual mix). Where these factors are not readily available, such as Latin America and Australia, location- based emissions factors (from the IEA) are used.
 - The reporting system BRMS does not allow for emission factors to be split across the reporting year. As such a conservative approach is taken whereby qualifying green energy contracts commencing within the first 4 months of the reporting year are accounted for at



a zero emissions rate for the year and contracts commencing within the remaining 8 months of the reporting year still have their relevant residual mix factor applied for the full year, with the zero emissions rate applied from the commencement of the following reporting year.

- Off-site electricity. This includes electricity used for charging company owned or controlled commercial vehicles and company cars. The electricity usage is determined in various ways, and includes:
 - Home charging devices that record the electricity consumed for charging of company vehicles.
 - All purpose 'Fuel' cards that are used to purchase and record electricity from public charging points.
 - Employee expense reports for mileage of company cars. The distance can be converted to CO₂-equivalents, based on BEIS conversion factors.

Charging of commercial vehicles and company cars may also occur on Bunzl premises, in which case the electricity for charging will already be captured in the on-site electricity reports.

The calculation of CO₂e of off-site electricity is based on the total units of electricity consumed in kWh and multiplied by the location-based and market-based emissions factors as stated above.

- District Heating – the calculation of CO₂e is based on the total units consumed in kWh. BEIS does not currently provide conversion factors for district heating and therefore conversion factors applied are/will be sourced locally.

4.6 Scope 3 - upstream and downstream indirect emissions (not included in scope 2) that occur in the value chain. The scope 3 emissions are calculated in line with the World Resource Institute (WRI)'s internationally recognised reporting standard the Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard, with reference to the additional guidance provided in the GHG Protocol: Scope 2 Guidance (amendment to GHG Protocol), GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard) and GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (Scope 3 Guidance).

In 2022, the reporting has been expanded to now cover the following emission sources:

- Purchased goods and services – These emissions are calculated using an Extended Environmental Input-Output (EEIO) modelling method based on spend, material and country of purchase.
- Capital goods – These emissions are calculated using an EEIO modelling method, based on capex spend and corresponding GBP/kgCO₂e EEIO factors.
- Fuel- and energy-related activities not included in scope 1 or scope 2. These emissions are calculated using a process-based method (fuel and electricity consumption multiplied by emission factors).
- Upstream transportation and distribution. These emissions include transportation and distribution of goods, based on weight and distance.
- Waste generation in operations. The calculations include waste generated across Bunzl sites as well as water consumption, considered for supply and treatment. Waste reporting is separated into landfill, incineration and recycling and multiplied by the relevant conversion factor.



- Business travel - As an international business we consider our main business travel impact is air travel. Various conversion factors based on distance and class of travel have been used.
- Employee commuting. Calculation based on average employee commuting distances and applicable conversion factors.
- Downstream transportation and distribution. Calculation of transportation and distribution of goods between Bunzl's wholesale clients' distribution centres, based on weight and distance of product shipped, multiplied by corresponding vehicle emission factors.
- Use of sold products. Includes the estimated emissions from the direct use-phase of sold products over their expected lifetime (i.e., emissions from the use of products that directly consume energy (fuels or electricity) during use.
- End-of-life treatment of sold products. These included the emissions of waste management during the disposal or treatment of sold products.

4.7 CO₂ intensity indicators

Our CO₂ emissions are represented as an index against £m revenue at actual exchange rate. The revenue of entities that are not yet reporting environmental data is excluded from the revenue figure used in the index calculation. In case of significant movement in the exchange rates of sterling against other currencies during a reporting year, index calculations may be carried out at constant exchanges rate so that the foreign exchange translation effect can be determined.

4.8 EHS incidents

- Accidents are reported externally as an index per 100,000 employees based on the average number of lost time incidents and days lost per month.
- Employee numbers are based on the data provided to the Group Reporting Department through the financial consolidation system. These figures represent the total full-time equivalent number of employees for each month rounded to the nearest whole number. They include employees on permanent, fixed or short-term Bunzl employment contracts but exclude all agency and temporary workers.
- Accidents cover those incidents relating to workers that work under our direct supervision. This includes both employees, agency and temporary staff. A time lost incident is defined as one where the worker is, as a result of an accident, unable to attend for work at the normal time on one or more working days after the accident has occurred. When no lost time information is available from agency workers, a business area may estimate the lost days or may apply a default of 7 days of absence. If the injured agency worker does not return before the contract end date, the contract end date is used as the last day of absence.
- Lost days are calculated from the first to the last day of absence and include weekends. Lost time is reported against the month in which the incident occurred. The severity rate calculation includes any lost days arising after 30 September up until 31 December that related to an incident that occurred on or before 30 September.
- In the USA, the number of days lost and restricted is capped at 180 days in line with applicable OSHA recording criteria.
- All incidents that occur within the reporting period (1 October to 30 September) are recorded. All lost time relating to incidents that occur before the reporting period end but continue to incur lost time after 30 September is included within the severity rate calculation up until 31 December.



- In principle any accident leading to working days away from work will be recorded and reported as a lost time accident in BRMS. However, there may be circumstances where the company considers a reported accident to be non-genuine and for which an adjustment of the incidence or severity may be considered. An adjustment of the incidence or severity of certain incidents can be considered when there is sufficient support to demonstrate that either:
 - 1) the incident did not occur at work, e.g. where the employee injured themselves outside of work and subsequently falsely claimed that the incident occurred at work;
 - 2) The length of the time off is clearly inconsistent with the accident and the resulting original injury that occurred. The continued time taken off is considered to be due to another matter and not due to the original injury.
 - 3) The incident and/or the resulting injury have been faked by the employee e.g. to obtain workers compensation benefits or as a result of a labour dispute (fraudulent reporting).
- Fatal accidents resulting from the Group's operations involving an employee or third party are reported separately and do not form part of the accident indices.